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June 27, 1985

Mr. R. W. MacCannon CF & I Steel Corporation P. O. Box 316 Pueblo, Colorado 81002

Dear Mr. MacCannon:

RE: Sublease of Nepoleon and Treasure Box Claims, Iron Mountain Ore Company, DOE/021/007, Iron County, Utah

Mr. Carlyle Johnson, Iron Mountain Ore Company, has been in contact with the Division regarding U. S. Steel's plans to sublease a portion of the Nepoleon and Treasure Box Claims which Mr. Johnson now leases from you. The purpose of the sublease would be to permit U. S. Steel to mine approximately 100,000 tons of iron ore from old dumps which were part of pre-Law mining operations.

There is apparently concern on CF & I's part that redisturbance of this area will trigger the requirement for reclamation of the surrounding pre-Law disturbance which covers hundreds of acres. For new mining operations in a previously impacted (pre-Mined Land Reclamation Act) area, the Division has jurisdiction only over those areas redisturbed by mining activities. In this case, approximately five acres will be impacted according to Mr. Johnson. The proposed operation in the subleased area would have to be permitted and the associated disturbance reclaimed, however, CF & I would have no responsibility for reclamation of surrounding areas which were mined pre-Law and not redisturbed.

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I hope this explanation will answer any questions that you have.

Sincerely,

Samuel P. Bruston

Administrator Mineral Resource Development and Reclamation Program

SC/btb cc: Steve Cox John Whitehead 8974R-26 & 27